

Regular Session, 2004

# ACT No. 910

HOUSE BILL NO. 1725 (Substitute for House Bill No. 323 by Representative Pinac)

BY REPRESENTATIVE PINAC

1 AN ACT

2 To amend and reenact R.S. 6:969.37, relative to the Louisiana Motor Vehicle Sales Finance  
3 Act; to provide relative to licensing for consumer loans and consumer credit sales;  
4 to provide for hearings; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:969.37 is hereby amended and reenacted to read as follows:

7 §969.37. Licensing procedures

8 A.(1) The application for a license under this Chapter shall be in writing,  
9 under oath, and in the form prescribed by the commission. The application shall  
10 contain: the name of the applicant; date of incorporation, if incorporated; the address  
11 where the business is to be conducted and similar information as to any branch office  
12 of the applicant in this state; the name and resident address of the owner or partners  
13 or, if a corporation or association, of the directors, trustees, and principal officers;  
14 and such other pertinent information as the commission may require to make an  
15 evaluation of the applicant.

16 (2) As part of the pertinent information considered, the commission shall  
17 consider information relative to all of the following:

18 (a) Financial standing and business integrity of the applicant.

19 (b) Ability of the applicant to conduct properly the business for which a  
20 license is sought.

21 (c) Adequacy of the applicant's established place of business for the purpose  
22 for which a license is sought.

1           (d) Effect on the motor vehicle finance business and the consuming public  
2           in the community or territory and state of Louisiana.

3           B. No license shall be issued unless the commission, upon investigation, finds  
4           that the applicant, and of the members thereof if the applicant is a partnership or  
5           association, and of the officers and directors thereof if the applicant is a corporation,  
6           are such as to warrant a reasonable belief that the business will be operated honestly  
7           and fairly within the purposes of this Chapter.

8           C.(1) The applicant shall be entitled to a hearing on the question of his  
9           qualifications for a license if the applicant requests such in writing to the commission  
10          and either of the following have occurred:

11          (a) The applicant has received notification from the commission that his  
12          application has been denied.

13          (b) The commission has not issued the applicant a license and it has been  
14          sixty days since the date that the application for the license was filed with the  
15          commission.

16          (2) A request for a hearing based on the denial of an application must be  
17          received by the commission, in writing, within fifteen days of the date that the  
18          commission mailed the denial notice to the applicant.

19          (3) The denial notice from the commission to the applicant shall be in writing  
20          and shall state, in substance, the commission's findings supporting the denial of the  
21          application. Such notice shall be sent certified mail, return receipt requested, to the  
22          primary business address on the application.

23          ~~B: D.~~ The license fee for every licensed lender for each calendar year or part  
24          thereof shall be the sum of four hundred dollars for the principal place of business  
25          of the licensee and the sum of four hundred dollars for each branch of the licensee  
26          maintained in this state. If a lender makes direct consumer loans to consumers at a  
27          seller location, that location is not deemed to be a branch office of the lender.

28          ~~€: E.~~ License fees shall be in addition to other fees and taxes paid by the  
29          licensee. All license fees collected under the provisions of the Chapter shall be paid

1 to the commission and shall be used for administration of this Chapter by the  
2 commission. The commission is authorized to employ personnel necessary for  
3 administration under this Chapter.

4 ~~D.~~ E. Each license shall specify the location of the licensee's office or branch  
5 and, if that office or branch is located within this state, the license must be  
6 conspicuously displayed there. In case such location is changed, the commission  
7 shall endorse the change of location on the license without charge.

8 ~~E.~~ G. Upon ~~the filing~~ approval of such application and the payment of such  
9 fee, the commission shall issue a license to the applicant to engage in the origination  
10 of consumer loans or the purchase of motor vehicle credit contracts, notes, and  
11 agreements by assignment under and in accordance with the provisions of this  
12 Chapter for a period which shall expire the last day of December following the date  
13 of issuance. Such license shall not be transferrable or assignable. No licensee shall  
14 transact any business provided for by this Chapter under any other name.

15 ~~F.~~ H. All foreign corporations, limited partnerships, and limited liability  
16 companies seeking to maintain a license under the provisions of this Chapter shall  
17 be registered to do business in this state with the secretary of state. Evidence  
18 showing such registration shall be furnished by such applicant or licensee upon  
19 request by the commission.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_